



One TCF Drive, P.O. Box 248  
Samoa, California 95564  
(707) 445-7952

July 5, 2016

Supervisor Virginia Bass  
Humboldt County Board of Supervisors  
825 5<sup>th</sup> Street, Room 111  
Eureka, CA 95501

RE: Proposed LCP Amendment: Non-Coastal Dependent Uses in the Industrial/Coastal Dependent Zone District

Dear Supervisor Bass and Members of the Board:

On behalf of Freshwater Tissue Company, I would like to express our support for the proposed Local Coastal Plan amendment being considered by the Board of Supervisors. This amendment would allow for noncoastal-dependent interim uses in the Industrial/Coastal-Dependent Zone District.

There are approximately 1,178 acres of land zoned as Coastal Dependent Industrial (MC) around Humboldt Bay. Freshwater owns two legal parcels totaling 50.77 acres. Both parcels are vacant and listed for sale by J.B. Mathers of Coldwell Banker. According to Mr. Mathers, there is currently no demand for CDI zoned property in Humboldt County and there is no reason to believe demand will increase in the foreseeable future. However, Mr. Mathers believes interim use of CDI properties would increase the opportunity to sell or lease our property and increase employment opportunities in Humboldt County.

I believe it is in the best interest of the citizens of Humboldt County and Samoa landowners to utilize CDI lands on an interim basis to create jobs. If not for the barrier of CDI zoning, Samoa has desirable and rare assets that many industries just can't find. These assets are:

- Large tracts of inexpensive land
- High voltage power
- Natural gas
- 60 million gallons of water/day
- Water treatment plant
- Ocean outfall line
- Access to world class support companies like O&M Industries
- Mild climate

Respectfully, as Supervisors, you have been elected to represent the will of the citizens. I think it is fair to say that the citizens of Humboldt County support interim use of CDI property for both private and public entities.

Sincerely,

Robert M. Simpson  
President - Freshwater Tissue Company

July 1, 2016

Supervisor Mark Lovelace, Chair  
Humboldt County Board of Supervisors  
825 Fifth Street  
Eureka, CA 95501

Dear Chair Lovelace and Members of the Board of Supervisors:

I am writing this letter on behalf of the Greater Eureka Chamber of Commerce in support of the proposal to amend the Humboldt Bay Area plan and Coastal Zoning Regulations to allow non-coastal dependent interim uses in the MC – Industrial/Coastal Zone.

The Greater Eureka Chamber of Commerce is an organization of members that develops and promotes trade, commerce, tourism and jobs in Eureka and the north coast region. We represent nearly 600 member businesses, organizations and individuals who are all committed to promoting the economic vitality of our community.

We believe that the proposed amendments offer the opportunity for near-term economic development while protecting the potential for coastal dependent industrial development in the long-term. We further believe that it should be the County's policy to encourage investment in abandoned industrial areas to reverse the degradation of infrastructure on these sites, reduce blight, and encourage investment. While there are many ways to do this, a critical first step is to ensure that our community offers appropriately zoned industrial areas that are attractive for development. Further, it is our understanding that there may be businesses in the subject area that do not conform to the existing zoning. The proposed amendments would give stability and assurance to these businesses.

We have carefully considered this proposed change in policy and have received presentations from representatives of both sides of the issue. While we think it critical that our ports continue to allow access and though these amendments are not perfect, we find them superior to the status quo. We believe that when a coastal dependent industrial business opportunity presents itself in the future, that there are sufficient protections to ensure that it can be accommodated--and that harbor related activities continue to be prioritized when they do materialize in the future.

Thank you for your attention to this matter. Please feel free to contact me should you have any questions.

Sincerely,

*Kenneth J Musante*

Ken Musante  
President, Greater Eureka Chamber of Commerce  
707 476 0570, x202  
kenm@eurekaypayments.com



7-19-16 Item L-4



## TRINITY COUNTY BOARD OF SUPERVISORS

Bill Burton

Supervisor District Four

P.O. BOX 1613, WEAVERVILLE, CALIFORNIA 96093  
PHONE (530) 623-1217 FAX (530) 623-8365

July 16, 2016

**To: Humboldt County Board of Supervisors:**  
**Re: Coastal-Dependent Industrial (CDI) Use item.**

### **Upstate RailConnect to get a thorough study.**

After years of preliminary investigation the Upstate RailConnect Committee (East-West Rail Connect Committee), including members from Humboldt County, Trinity County, and Central Valley communities, has secured a research grant to fully investigate the engineering and social economic potential of a railroad link connecting the Central Valley to the Northern California Coast. This need is for transportation options for freight and passenger uses, over a long period of time, upwards of a century.

A project of this magnitude will present many modern benefits and costs to Trinity County and Humboldt County. The timelines to implement, if built, may be over 20 years, **so this study should not slow your decisions of current marketability of Port facilities on a temporary basis.** In my view diverse industries and business add to the vibrant fabric of the local economy, and will add to the attractiveness of a modern rail system.

An early investigation of the potential of such a rail connection requires a most careful engineering evaluation, and needs to include many modern constraints:

- The future investigation will include potential major tunnels. Tunnels smaller than highway tunnels that pass under much of the route can avoid many sensitive areas in a potentially cost effective manner.. This will potentially avoid disturbance of many locations along the route. Tunnel technology has advanced in recent years, and most of the modern projects have directed tunnel developments to avoid river canyons and high elevation locations, as well as safer direct routing. Multiple miles long tunnels are expected to be evaluated.
- This Rail Connect design is expected to include safe rail operations of trains that run on time, not High Speed rail! The system may connect to Central Valley passenger operations over time, potentially connecting to Sacramento and other locations.

- The design should look at electric operation of rail equipment. Electric locomotion is a standard across the world, and electric powered rail locomotives have the potential of using renewable energy and reducing carbon emissions.
- The system must be useful to Trinity County, with potential for connections to either Hayfork Valley areas and/or Weaverville connections. Long term passenger potential must be included in the study.
- Freight movements on the corridor have been assessed at both ends. Changing economy issues make a plan of diverse business users, as no one single commodity or product will directly drive the development of this transportation system. A diverse economy region-wide is expected to be beneficial over the life of this system.

This project, if ever built, will have long term jobs implications, as well as business and tourist economic factors. As a first step, this study will help determine the potential costs of a built project.

**As a member of the UpState RailConnect Committee I expect to input these environmentally friendly, and passenger friendly options as elements of this study.**

Bill Burton,  
Trinity County Supervisor,  
Member, Upstate RailConnect Committee  
530-623-1217



## HUMBOLDT BAY HARBOR WORKING GROUP

18 July 2016

Humboldt County Board of Supervisors

RE: LCP Amendment for Coastal Dependent Industrial (CDI) Interim Use

Honorable Supervisors:

The Harbor Working Group supports the Harbor District's desire for better utilization of the Harbor for jobs. We further agree with the District that—as stated in its April 20, 2016 letter to the Planning Commission—a rational accommodation in planning and zoning is needed to allow commerce to be conducted on the sites around the Bay currently CDI zoned.

As pointed out by the Harbor District, without better utilization of our CDI-zoned lands, the “thousands of square feet of warehouse space, roads, sewer and water, electrical and natural gas connections, and outfall pipes will all continue to deteriorate to the point of being unusable.” The District is correct in that the cost of replacement for similar capacity in the future would be in the tens of millions of dollars, and we need commerce to be conducted on these sites to help maintain the infrastructure.

However, the Harbor Working Group is not convinced that the proposed amendments are the best choice to accomplish what we all want.

The purpose of the proposed amendments is clear. In its letter to the Planning Commission, the Harbor District explained that it asked for the amendments because the District is “in serious financial distress” — “We are financially extended by acquisition of the former Evergreen Pulp Mill site” and “we need the zoning change so we can get tenants and meet our financial obligations.” The District further explained that it has determined that the “highest potential for economic opportunities around the Bay lies in light industrial development...enterprises like Yakima Racks, Wing Inflatables, and Kokotat that require relatively small capitalization.” The District has targeted these businesses as ideal tenants.

The Harbor District is right in what it says.

But the proposed amendments are an easy fix; and like all easy fixes, they will have consequences. The Harbor Working Group is concerned because we still do not know what consequences can be anticipated or expected from these amendments.

In particular, after all the “fluff” is removed from this debate, the one question that has not been answered is how the amendments fit in with the County General Plan. The Harbor Working Group obviously wants this answered before the Board acts. But of greater importance is that California Government Code Section 65855 requires it: the record must include “the relationship of the proposed ordinance or amendment to applicable general and specific plans.”

The mandate is Code Section 65860 that requires a zoning ordinance to be consistent with the general plan. Said Section further requires that to be consistent with the general plan “the various land uses authorized by the ordinance must be compatible with the objectives, policies, general land uses, and programs specified in the plan.”

The Harbor Working Group has reviewed the entire record available for this matter as of the posting of the most recent staff report. A finding of consistency cannot be made. At this time, we do not even know—with consideration of the overall goals of the currently adopted General Plan—what goals will be achieved and what goals won't be achieved in the event these amendments happen. Nor do we know what goals will be achieved if these amendments do not happen; or what goals won't be achieved if these amendments do not happen (*careful with this last question, as the tendency is to ignore the double negative and end up with the same or similar answers to the first question*).

The Harbor Working Group is apprehensive about one particular statement in the Harbor District's letter to the Planning Commission: "As we come to consensus as a community about the paths for development and growth that protect the health of the Bay, hopefully we can get to where businesses are not impeded by an overly burdensome regulatory process..." To the contrary, there already is a community consensus on the use of the Bay (see attachment). Does the District's reference to moving toward a consensus mean that the District's intent and agenda is to change the existing consensus without going through the proper planning process?

The Harbor Working Group has been advocating for one collaborated specific plan for the overall development and use of the Harbor. We believe that decisions involving the development and use of the Harbor should be guided by an effective planning process, including one collaborative local plan; and should proceed within the framework of collaboratively adopted goals and policies to guide all decisions affecting the Harbor. Yet we observed that there is not a consistent answer as to what the plan is for our Harbor in five, ten, or twenty years...even though plans have been adopted by the County and City (listed on attachment).

The Harbor District rejected this idea, and apparently convinced the County Board and City Council (the planning and zoning agencies for the Bay and its Harbor) that the District could and would manage the Bay consistent with the best interests of the local populations. However, the District has clearly demonstrated either an inability or an unwillingness to do that. Evidence of this is the exclusion of consideration of the jurisdictional County plan when the District recently acquired the Pulp Mill and other private lands...a consideration specifically required by the California Government Code (Section 65402).

The Harbor Working Group agrees that the Local Coastal Plan needs to be updated. But let's do it the right way, with the right process of a collaborative, comprehensive review of the Plan.

It is our recommendation that the immediate proposal before your Board be disapproved; or at least tabled pending completion and adoption of an updated LCP. Continued delay in doing this will only exacerbate the problems we are trying to fix.

Respectfully submitted,

Larry Henderson, Chair  
Humboldt Bay Harbor Working Group

*[larrydhenderson@hotmail.com](mailto:larrydhenderson@hotmail.com)*



## THE COMMON LINK IN EXISTING HARBOR-RELATED PLANS

### **Priorities for Humboldt Bay Development and Uses**

- National and international shipping facilities on the Samoa Peninsula, and supportive shipping activities on Eureka's Westside Industrial Waterfront and the Fields Landing Industrial Waterfront.
- A historic and dynamic district in Eureka for commercial and recreational waterfront uses, including cruise ship facilities.
- A protected, working Marina on Woodley Island dedicated to moorage and support of our commercial fishing fleet.
- Water-related recreation and aquaculture on the remaining portion of the Bay, north and south of the Harbor.

### **References:**

- Eureka General Plan (1965)
- Eureka Core Area Development Plan (1973)
- Eureka General Plan (1977)
- Westside Industrial Area Study (1981)
- HUMBOLDT BAY AREA LOCAL COASTAL PLAN (Certified 1982)
- Eureka Local Coastal Program (1984)
- Enterprise Zone Application (1986)
- HUMBOLDT COUNTY GENERAL PLAN (1988)
- Mountain West Study (1989)
- Eureka Waterfront Facilities Plan (1990)
- Humboldt Bay Development Plan (1991)
- Westside Industrial Area Development plan (1993)
- Eureka Waterfront Revitalization Program (1993)
- Public Terminal Implementation Plan (Vickerman; 1994)
- Five-year Operation and Development Plan (HBHRCD; 1995)
- HBHRCD Capital Improvement Program (1996)
- Engineers Report for HBHRCD (Quigley; 1997)
- Eureka General Plan (1997)
- White Paper re Port Improvement Plans (Institute of the North Coast; 1998)
- Eureka Rail Yard Property Land Use Study (Mintier; 1999)
- Economic Assessment (BAE;1999)
- Harbor Revitalization Plan (HBHRCD; 2003)
- Harbor Revitalization Visioning Forum (2004)
- 2007-2011 Harbor District Strategic Plan Mgmt Objectives (2006)
- Legislative Priorities (HBHRCD Resolution 2011-01)
- Eureka 2013 Strategic Visioning (2013)
- Eureka Strategic Visioning Executive Summary (2014)

July 18, 2016

Humboldt County Board of Supervisors  
825 5<sup>th</sup> Street  
Eureka, CA 95501

Dear Supervisors:

Once again, the Harbor District has created an issue that could have been avoided if they followed their mandated purpose and stopped meddling in private business. The request by the Harbor District to allow non-coastal dependent industrial uses along the margin of our port is an effort to steal industry non-coastal to their new property and away from traditionally industrially zoned properties in Arcata, Eureka, Fortuna, and unincorporated Humboldt county. The mandate of the Harbor District is to promote national and international commerce, conservation and recreational uses of the bay.

The zoning amendment can be argued by both sides within the private industry as good or bad, but what becomes clear is the harbor district's motivation, the bottom line is that they made a very bad decision when they bought a contaminated property for \$1, and now have no income or revenue to maintain this property. The Harbor Commission made a bad deal, and now they want a public bailout by rezoning their property in a manner that will allow it to unfairly have a competitive advantage.

Including the Harbor District in this temporary re-zoning of our coastal dependent industrial lands puts a publicly funded governmental organization in direct competition with private dock owners *and* the larger set of industrial property owners around Humboldt County none of which have access to your tax dollars to subsidize their businesses. I recommend that the Board of Supervisors seriously consider this decision, at a minimum they should remove government owned land from the modified land use due to the appearance of impropriety as the Harbor Commission is leading the charge for the modification.

In testimony before the County Planning Commission, staff admitted that they had done NO analysis on the availability of non-Coastal Dependent zoned commercial properties, which should have been an integral first step in determining the need for a rezone. Staff merely took the word of the Harbor Commission and forsook their publicly required due diligence.

The is bad politics and bad business for our community!!!

Thank you,



Tina Christensen  
3402 Rocky Lane  
Hydesville, CA 95547



STATE CAPITOL  
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(916) 319-2002  
FAX (916) 319-2102

# Assembly California Legislature



**JIM WOOD**  
ASSEMBLYMEMBER, SECOND DISTRICT

July 18, 2016

Supervisor Mark Lovelace, Chair  
Humboldt County Board of Supervisors  
825 Fifth Street  
Eureka, CA 95501

**RE: Proposed LCP Amendment, Non-coastal Dependent Interim Uses in the Industrial/Coastal Dependent Zone District**

Dear Chair Lovelace and Members of the Board of Supervisors:

I write in support proposal to amend the Humboldt Bay Area plan and Coastal Zoning Regulations to allow non-coastal dependent interim uses in the Industrial/Coastal Dependent Zone District.

I believe the proposed amendments offer the opportunity for near-term economic development while protecting the potential for coastal dependent industrial development in the long-term and further believe that it should be the County's policy to encourage investment in abandoned industrial areas to reverse the degradation of infrastructure on these sites, reduce blight, and encourage investment. While there are many ways to do this, a critical first step is to ensure that our community offers appropriately zoned industrial areas that are attractive for development. Further, it is my understanding that there may be businesses in the subject area that do not conform to the existing zoning. The proposed amendments would give stability and assurance to these businesses.

I do not always weigh in on local matters, however I believe this is a good opportunity for Eureka to open up much needed Industrial space. It is critical that our ports continue to allow access while allowing for flexibility in development for businesses in the Humboldt Bay area. I believe the amendments ensure that when a coastal dependent industrial business opportunity presents itself in the future, that there are sufficient protections to ensure that it can be accommodated--and that harbor related activities continue to be prioritized when they do materialize in the future.

Thank you for your attention to this matter. Please feel free to contact me should you have any questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jim Wood", with a long, sweeping underline.

Jim Wood  
ASSEMBLYMEMBER, 2<sup>nd</sup> District



JARED HUFFMAN  
2ND DISTRICT, CALIFORNIA

**COMMITTEE ON  
NATURAL RESOURCES**

WATER, POWER, AND OCEANS – RANKING MEMBER  
FEDERAL LANDS

**COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE**

HIGHWAYS AND TRANSIT  
WATER RESOURCES AND ENVIRONMENT

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-0502

WASHINGTON OFFICE  
1630 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
PHONE: (202) 225-5161  
FAX: (202) 225-5163  
WEBSITE: [huffman.house.gov](http://huffman.house.gov)

July 14, 2016

Mark Lovelace  
Chairman, Humboldt County Board of Supervisors  
825 Fifth Street  
Eureka, CA 95501

Dear Mr. Lovelace:

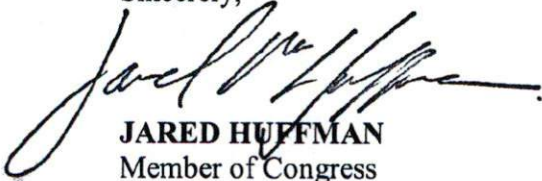
I am writing in support of the Interim Use Local Coastal Program amendment that is under consideration by your board to open up a variety of business opportunities on Humboldt Bay area lands, including the former Samoa pulp mill property. The amendment is an important step in easing strict zoning restrictions currently in place for that property, in which about \$8 million has been invested to clean up environmental contamination since 2010 by the U.S. Environmental Protection Agency and other federal and state agencies.

The Samoa pulp mill was shut down in 2010, following the purchase of the facility from Evergreen Pulp by Freshwater Tissue Co. It was discovered that some four million gallons of caustic and toxic chemicals remained on site in vessels not suitable for long-term storage. The U.S. EPA, U.S. Coast Guard and other federal and state agencies responded and began a years-long process of removing the contaminants. The Humboldt Bay Harbor, Recreation and Conservation District purchased the property, and is looking to attract businesses to the site.

The District and other bay property owners are highly restricted by the current Coastal-Industrial Dependent (CDI) zoning designation. The current proposal to adopt the Interim Use Local Coastal Program amendment would allow certain other uses on these properties – while prioritizing current and future CDI uses.

Thank you for your serious consideration of the Interim Use Local Coast Program amendment.

Sincerely,



**JARED HUFFMAN**  
Member of Congress

**SAN RAFAEL**  
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## HUMBOLDT BAY HARBOR WORKING GROUP

19 July 2016

Humboldt County Board of Supervisors

RE: LCP Amendment for Coastal Dependent Industrial (CDI) Interim Use

Honorable Supervisors:

The one positive thing that has grown from this CDI zoning debate is verification that our Humboldt Bay residents and local agencies want our Samoa Peninsula to be developed and used for industries that provide jobs. However, the question still remains on whether or not that industrial complex will be deep-water port reliant.

Those supporting this CDI zoning amendment argue that without a railroad connect to our national rail network, there will be no shipping in or out of the Harbor; that it will be years—if never—that we will have a railroad; and, without this amendment our CDI lands will continue to be unused and our infrastructure will continue to deteriorate to the point of being unusable. Therefore, we should go ahead and let these lands be used for other purposes.

Those opposed to this amendment disagree. They argue that how our CDI lands are used—with or without a railroad—is a choice; and that these lands do not have to sit unused.

The Harbor Working Group wants to see a deep-water port reliant industrial complex built on the Samoa Peninsula, utilizing the infrastructure we have and can improve today. Hopefully someday it will be connected by rail to the national rail network.

This is not something we have created and want to push on our population and officials...we are not “re-inventing the wheel.” Rather it is something that has already been agreed to.

The common link between all the Harbor related studies and plans approved or adopted since 1965 is the vision and goal of national and international shipping facilities on the Samoa Peninsula. Of most importance, it is clearly the dominant goal of the existing Local Coastal Plan (our LCP).

Over a year ago the Harbor Working Group discussed with your Board the problems facing better utilization of our Harbor for shipping. During the discussion, reference was made to a recent port-reliant industry that considered establishing operations here, but ultimately made the decision to not do it. When asked why, that industry’s answer was, “Unpredictability for success.” They cited the lack of political will and incentive as their biggest deterrent, and said that we failed to show them that they will be able to succeed if they locate and operate their industry here.

The Harbor Working Group told your Board that we, as one community, need to reconfirm a community-wide consent and support for port development and use of the Harbor. We recommended and asked that the Harbor portion of the LCP be updated as soon as practical. The urgency, we said, was to provide a clear, current vision for the development and use of our Harbor between now and whenever we get rail connection to the national network...if ever. We believe this is critically needed in order to define the “highest priority” interagency edict—and set firm agendas for local government agencies and platforms for state regulators—in regulating

To Humboldt County Board of Supervisors  
From Harbor Working Group  
19 July 2016  
Page 2

the use of our CDI lands to meet what would be determined to be the best interests of the Humboldt Bay area.

Your Board assured us that this would happen. In fact, money for the work was secured through grants from the Coastal Commission and the Ocean Protection Council. We were provided a work scope, schedule and budget for making it happen.

It was this program that initiated and funded this proposed LCP amendment to give increased flexibility and relaxed regulatory requirements for CDI-zoned lands. However, the funded work scope included—among six other work targets—updating to reflect changes in surveys of management, ownership, and uses of CDI-zoned lands...and none of these work products are included with this LCP amendment you are being asked to approve today.

The Harbor Working Group is concerned about a growing perception of a lack of political will that port-reliant industries be located and operated here, and political incentive to make it happen. If your Board approves this proposed amendment before the completion of any other work toward a real LCP update, it will be a confirmation that this perception is accurate.

At the minimum, do as your Planning Commission recommended and not act on this amendment until all the work is completed in updating our surveys on the management, ownership, and uses of our CDI lands.

Respectfully submitted,

Larry Henderson, Chair  
Humboldt Bay Harbor Working Group



To the Humboldt County Board of Supervisors,

Humboldt County's economy used to be based largely on logging, lumber mills and fishing. Those industries play less of a role in our economy today. Illegal marijuana production has been a large part of our economy for years now, and that has morphed into a partly legal industry. As more and more States legalize marijuana, it's impact on our economy may be reduced.

Humboldt Bay is a tremendous underutilized resource, which has the potential to replace the lost industries and provide prosperity to Humboldt County in many ways. What is missing is a rail connection from Humboldt Bay to the national rail system. We do have a lot of CDI land available on our waterfront to support a busy port.

The California Department of Transportation has identified a rail connection between Humboldt Bay and the national rail system on its list of Projects of National Significance. Attached are a few pages of that report, which I ask you to review for their perspective on the importance to Northern California and the Nation of our port and a rail connection. They have also provided a grant to study the feasibility of that rail connection. The amount of land available for coastal dependent industry is important to the future development of the port.

It is important to keep that land available for coastal dependent uses. There is a lot of vacant commercial and industrial land available throughout the County for non CDI uses. An inventory of vacant commercial and industrial land should have been done as part of the review of the changes you are considering, at least land within 25 miles of the bay. Such an inventory would surely have demonstrated that these changes are not necessary.

I do support modifications for the benefit of existing businesses on the Bay. To the extent you do relax the standards for CDI properties, I ask that you not make these changes apply to publicly owned property, particularly the Harbor District. They acquired property, knowing that it was CDI property. They, above all other landowners, should be dedicated to coastal dependent industry.

Debbie Provolt

California

**Projects of National and Regional Significance**

November 17, 2014

Second Submittal and June 30 Revise

Submitted to the Federal Highway Administration by the  
California Department of Transportation,  
Division of Transportation Planning

*The content of this report does not include California transportation projects that may have independently been submitted by a tribal government, a transit agency, or a multi-state or multi-jurisdictional group.*



Up-State Rail

#	Answer	Bar	Response	%
49	Washington		0	0%
50	West Virginia		0	0%
51	Wisconsin		0	0%
52	Wyoming		0	0%

7. 4a. In what county(s) is the project located?

Text Response  
 Trinity, Humboldt, Tehama counties

8. 5. Based on your knowledge of the project and the following definition, is the project being submitted an eligible project? (Answering "No" to this question will result in your project being placed in TIER 3.) Eligible project means any surface transportation project or set of integrated surface transportation projects closely related in the function they perform, eligible for Federal assistance under title 23, United States Code. Projects may include: public or private rail facilities providing benefits to highway users; surface transportation infrastructure modifications to facilitate intermodal interchange, transfer, and access into and out of ports; and other activities eligible under such title.

#	Answer	Bar	Response	%
1	Yes	<input type="checkbox"/>	1	100%
2	No	<input type="checkbox"/>	0	0%
Total			1	

9. 6. Project Title

Text Response  
 UpState California RailConnect Project

10. 7. Project Description (limited to 1500 characters including spaces)Please make sure the project description includes how the project is nationally or regionally significant, as required in MAP-21. Please indicate "no new information" if resubmitting a previously submitted project and the description has not changed.

Text Response  
 The UpState California RailConnect Project will provide an east-west rail land-bridge between an underutilized deepwater seaport on California's north coast and the national rail system through a connection in California's agriculturally-rich Sacramento valley. This new rail line has the potential to not just simply be a new and efficient transportation link, but to be a social and economic game-changer for a vast portion of Northern (Upstate) California. Humboldt Bay is California's second-largest natural bay and the only deepwater seaport along a 400 mile stretch of coast from San Francisco, CA to Coos Bay, OR. As one of only 11 deep-water public ports in the State of California, Humboldt Bay has been an active seaport since the 1850s and historically handled as much as five (5) percent of all cargo on the U.S. West coast. Today, it handles less than 10% of its predicted capacity. Lack of rail transportation is one of the main factors that has allowed this seaport to decline to such a state that where once thousands of people were employed in coastal dependent industrial jobs, now there are less than a few hundred. In addition there are approximately 1,000 acres of properly-zoned and underutilized or vacant coastal-dependent industrial property along the federally-maintained deep ship channels. The availability of this amount of coastal-dependent industrial property at a California deepwater harbor clearly presents a unique opportunity for economic development.

11. 8. Briefly describe how the project will significantly improve performance of the Federal-aid highway system nationally, or regionally. (limited to 1500 characters)

## Up-State Rail

including spaces) To the extent possible, please provide specific evidence or information about the ways this project (which may include non-highway projects) will positively change any performance-related features of the Federal-aid highway system - and the extent of that impact. Quantitative information is preferred. Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.

## Text Response

The Chico State University, Center for Economic Development (CED) notes that while a lack of rail connectivity has severely limited the economic potential of Humboldt's harbor, the communities they (CED) represent in inland Northern California would benefit greatly from increased access to Humboldt Bay's harbor. CED's area includes California's agriculturally-rich Central Valley. CED's business partners presently have a difficult time moving product through existing California ports. Having a Sacramento Valley intermodal center to load agricultural products directly on rail for a short trip to Humboldt's harbor would potentially reduce a great deal of the impacts of a similar trip on the Federal-aid highway system and reduce turn-times. The idea of installing a reliable rail link to Humboldt Bay's deepwater harbor is supported by CED because Humboldt's harbor area has sufficient land area to build a container yard and has sufficient draft to accommodate most vessels currently carrying agricultural products from the Central Valley to Asian markets.

**12. 9.** Briefly describe how the project will generate national economic benefits that reasonably exceed the costs of the project, including increased access to jobs, labor, and other critical economic inputs. (limited to 1500 characters including spaces) To the extent possible, please provide specific citations or evidence linking the completion of this particular project (regardless of whether it is part of a larger facility or non-highway project) to positive changes in the national economy. Quantitative information is preferred. Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.

## Text Response

Economic modeling shows that Humboldt's harbor could have a significant economic impact on California by providing an additional 3,000 jobs, a \$90 million dollar increase in wage payments and a \$400 million increase in the regions GDP. This modeling predicted that Humboldt's harbor could handle 5 million tons of cargo per year however, in 2013, less than 10% of that predicted capacity was handled largely due to a lack of rail connectivity. With rail connection, Humboldt's harbor is ready and available to handle a much greater amount of cargo. The Bay has approximately 10 miles of federally-authorized deepwater ship channels and can accommodate ships up to 95' LOA and 38' draft. The entrance to Humboldt Bay is -48' and the northern shipping channels at -38'. The deepened channels provide for greater navigation safety, improved vessel economics and competitiveness for marine trade around the Pacific Rim. Humboldt's harbor contains an underutilized Foreign Trade Zone (No. 248); 7 marine terminals; many maritime services including tugs, Pilots, stevedores, Longshore, Homeland Security, US Coast Guard. The US Army Corps of Engineers annually maintains the federally-authorized shipping channels. In a study commissioned by the California Marine Affairs and Navigation Conference, it was shown that for every federal dollar invested in port O&M it creates \$812 in GDP and contributes \$1.61 to the Federal Treasury making federal funding in ports and investment for the nation.

**13. 10.** Briefly describe how the project will reduce long-term congestion, including impacts in the State, region, and the United States, and increase speed, reliability, and accessibility of the movement of people or freight. (limited to 1500 characters including spaces) To the extent possible, please provide specific citations or evidence linking the completion of this particular project (regardless of whether it is part of a larger facility) to positive changes in current or expected congestion, such as reduced demand on the Federal-aid highway system due to improvement of modal alternatives including transit service and intercity passenger rail, or increased use of intelligent transportation systems, and the extent of that impact. Quantitative information is preferred. If congestion is not an issue this project will address, please indicate that, as well as any related level of service issues (e.g., reliability, accessibility) that may be affected positively by this project. Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.

## Text Response

"Upstate California" as defined here is that portion of California between Oroville and the Southern Oregon border and from the Nevada border to the Pacific Ocean which generally correlates to California's Northern Trade Corridor. This area of California covers approximately 40,000 square miles and contains one of the most agriculturally-rich valleys in the nation, the Sacramento Valley. It also contains one of the most underutilized deepwater ports in California at Humboldt Bay. Other modal connections in the Upstate area include I-5, SR-99, SR -299, US-101, US-199, SR-44 and US-395. The UP, BNSF and California Western Railroads all traverse through the Sacramento Valley, but none of them connect to Humboldt Bay leaving this harbor virtually isolated from trade. The establishment of an east-west rail connection is expected to reduce congestion on highways in the I-5 corridor; improve the environment by reducing of air pollutants related to diesel truck engines; shift heavy trucks from the roads and bridges to rail; and provide additional job opportunities and associated businesses that develop around modern port, manufacturing, goods movement and agricultural facilities. Additionally, should a natural or man-made disaster occur that shuts down goods movement in San Francisco Bay, an active east-west rail connection will allow Humboldt Bay to be an alternative port thus minimizing the potential disruption of goods movement throughout the U.S.



## Up-State Rail

**14. 11. Briefly describe how the project will improve transportation safety, including reducing transportation accidents, and serious injuries and fatalities. (limited to 1500 characters including spaces) To the extent possible, please provide specific citations or evidence linking the completion of this particular project (regardless of whether it is part of a larger facility) to positive changes in safety for the region or nation. Quantitative information is preferred. Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.**

## Text Response

Presently, SR 299 is the major east-west highway connecting Humboldt's harbor with the I-5 corridor in the Sacramento valley. SR-299 has recently been undergoing major reconstruction and realignment projects in order to make the highway safer and cut travel times. The improvements to SR-299 are significant in improving access to and from Humboldt's harbor. However, for Humboldt's harbor to reach its national, regional economic and social benefits potential, it must be connected to the rest of the nation by road AND rail. With the road (SR -299) improving and the harbor's navigation channels deepened and modernized in 2000, all that remains is to connect the harbor to the rest of the nation by rail. Safety is always a consideration when moving freight on winding mountainous rural highways where those highways are shared by residents and a large tourism sector. Having a freight rail connection to the deepwater seaport at Humboldt Bay will ensure that growth in the harbor's freight activity will not be all forced onto the highway, but instead will be shared between modes making SR-299 a safer, necessary and functional freight corridor. Similarly, any potential removal of truck transport from I-5 and I-80 to the San Francisco Bay area by moving this freight to Humboldt's harbor by rail should have a combination of safety, congestion and environmental benefits to those highways and northern California.

**15. 12. What percentage of this project will be funded by non-Federal funds? (please only enter a number, DO NOT enter the percent sign) Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.**

## Text Response

50

**16. 13. Please describe the level of non-Federal funding sources to construct, maintain, and operate the infrastructure facility. Include a description of key stakeholders you anticipate providing financial support for this project. (limited to 1500 characters including spaces) Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.**

## Text Response

As envisioned, Federal funds would be used to conduct a Literature Review; Identify Potential Routes; Land Ownerships; Economic Benefit to the Entire Rail Corridor (including Assessment of Market Potential; Assessment of Direct, Indirect and Induced Beneficiaries; and Assessment of Impacts to Ports); Governance; Conceptual Engineering; Homeland Security; Additional Uses of the Rail Right of Way; Estimated Permitting Needs; Identify Environmental Issues and Mitigations; Identify Known Cultural Resources; and Estimated Development Costs and Timelines. A public process overseen by a multi-agency group (UpState RailConnect Committee) will vet this information. This public process and federally-funded work will result in the acquisition of a railroad right of way; completion of any special studies as required; any CEQA/NEPA document as required; preliminary engineering and acquisition of permits to construct. Through a competitive process, a rail developer/operator will be identified to complete the final engineering and design; and construct and operate the new rail line. The developer/operator may partner with an existing dock owner and/or land owner in the Sacramento valley to fund and develop the rail line as an intermodal package. For their investment, it is envisioned that the developer/operator would receive a long term (~ 50 years) lease on the use of the rail line making the UpState California RailConnect project a true public-private partnership.

**17. 14. What is the estimated total project cost? (Please only enter a number, DO NOT enter a dollar sign) To be considered a PNRS-eligible project, the total project cost must be at least \$500M or 50 percent of the amount of Federal highway assistance funds apportioned to the State in which the project is located. See PNRS Table for a listing of the amount of Federal highway assistance funds per state. Please indicate "no new information" if resubmitting a previously submitted project and the information has not changed.**

## Text Response

1,200,000,000





Connor Radnovich / The Chronicle

The Outer Harbor Terminal at the Port of Oakland had been home to Ports America, which has filed for bankruptcy.

# Oakland port wants to keep land empty

THOMAS LEE  
*Mind Your Business*



The half-dozen giant cranes that once lifted huge containers of goods on 160 acres of East Bay waterfront now lie dormant.

And the Port of Oakland is pretty OK with that. In fact, the agency, which also operates Oakland International Airport, seems almost eager to not do anything with the vast tract of essentially vacant land.

On the surface, this attitude might seem odd — even flippant. A busy port usually indicates robust economic activity. A partially empty port means millions of dollars in lease payments not flowing into the Port of Oakland's coffers. And sitting on unused waterfront property is practically sacrilegious in this era of sky-high real estate prices.

But waiting it out actually makes sense, given the glut in the global shipping industry and the agency's efforts to turn the sixth-largest port in the United States into more of an export powerhouse. Goods like wood pulp, fruit and steel flow to Asia from the port, and officials hope to expand that business significantly.

"We're all for growth, but

growth in a responsible way," Port of Oakland executive director Christopher Lytle said.

The past couple of years have been trying for Lytle. Though the agency's maritime division (as distinct from the airport) saw overall revenue rise last year, the number of shipping containers entering and leaving the

*Lee continues on C*



# Oakland port land to sit empty

Lee from page C1

port dropped 6.5 percent to 1.71 million from 1.83 million in 2014, according to port figures.

The drop-off was due in part to the nine-month contract dispute between shippers and a union representing longshoremen that resulted in severe slowdown at ports across the West Coast, including Oakland, Long Beach, Seattle and San Diego.

And in February, disaster struck: Ports America Outer Harbor Terminal, Port of Oakland's second largest tenant, filed for Chapter 11 bankruptcy protection. Just five years ago, Ports America and the agency had signed a 50-year lease agreement, making the Port of Oakland the company's single largest unsecured creditor, according to documents filed with U.S. Bankruptcy Court in Delaware.

After Ports America departed, the Port of Oakland was left with a swatch of prime waterfront real estate that commercial and residential developers and

contemplation, the agency decided to play the long game, and not even lease it to another terminal company.

For one thing, there was a reason why Ports America went bankrupt. The shipping business is in the doldrums. That's thanks partly to the advent of large numbers of megaships, which have sent prices down as they carry more cargo per trip and reduce fuel costs. That's good news for consumers, since the vast majority of the world's goods travel by sea. But it wrecks havoc for port-related companies, which are losing money trying to gain market share by cutting prices.

Before its bankruptcy, Ports America was losing about \$40 million a year. With the industry stagnating, the company was cutting rates and thus taking business away from the Port of Oakland's other terminal operators, including TraPac and Evergreen, Lytle said.

Signing up someone to replace Ports America will only repeat the same mistake, he said.

"You've got this va-

to do? Should we go out and fill the space right away with another operator? What happens at a lot of U.S. ports is that they end up with overcapacity. If we put another terminal operator over here, which we would find without a problem, where will they get their business?"

The agency has been able to shift Ports America's customers to other terminal operators throughout the area, so it's not as if the Port of Oakland has lost business.

But the temptation to do *something* with the land must be very strong. Colliers International, a commercial real estate firm, estimates the vacancy rate for the Interstate 80/880 Corridor industrial market was a tight 2.1 percent in the first quarter this

year compared with 3.9 percent during the period a year ago.

Lytle, however, wants to stay put. The port estimates that container traffic will grow 3 percent or more annually over the next few years, and he anticipates that the industry will stabilize and the terminals will "fill to the right levels" over the next decade or so. That could be helped by a wave of mergers and acquisitions, which Drewry, a British shipping consulting firm, predicts will sweep across the industry. (We're also likely to see more terminal operators follow Ports America into bankruptcy.)

The Port of Oakland is an ideal export location because ships from Asia normally visit Southern California to

drop off cargo before heading north to places like Oakland and Seattle to receive American exports.

And when there are more exports, the now-vacant land will again be valuable. It's right next to where the Port of Oakland plans to convert a former U.S. Army base into a logistics center (port officials just signed a \$550 million agreement with CenterPoint Properties to do the conversion). The facility can transfer food from places like St. Louis, Chicago and Memphis directly from trains to ships for exports without needing trucks.

Unlike the import-heavy Port of Long Beach, which Lytle previously oversaw, he wants to preserve an equal balance of exports

and imports in Oakland. That's why he's not anxious to do anything that will upset the delicate business of the agency's existing tenants.

"People are clamoring for land close to the port," he said. "We can make a decent amount of money from short-term uses like truck parking. But our board doesn't want us to make the same mistakes that were made a few years ago, putting someone in there that couldn't get business. If a company doesn't have a good plan that's going to say where the cargo is coming from, why would do that?"

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# Panama Celebrates Expanded Canal's Successful First Passage

New York Times – June 26, 2016



A Chinese-owned container ship, Cosco Shipping Panama, on Sunday became the first commercial vessel to successfully cross the Panama Canal's newly expanded locks, a historic achievement that Panama hopes will keep the canal as relevant in this century as it was in the last.

Panama built the expanded locks, without help from other governments, because the newer ships that increasingly carry the world's cargo are too large to fit in the old canal.

Seventy heads of state were invited to watch Cosco Shipping's inaugural passage through the canal's six massive locks — three on the Atlantic side, where the ship entered shortly after dawn, and three on the Pacific side, where the dignitaries patiently waited.

Much of the ship's transit was televised live to the nation and the world. Once the container ship successfully entered the first lock in mostly sunny, calm conditions, its passage was halted for speeches, sermons and exchanges of memorabilia. Panamanians who went to watch the maiden passage cheered, and bands played.

The expanded canal opened amid questions about its long-term viability due to water availability and changes in shipping patterns. It opened nearly two years late, missing the 100th anniversary of the opening of the original canal, which was built by the United States. President Jimmy Carter signed a treaty in 1977 turning the canal over to the Panamanians, although the actual transfer did not occur until 1999.



# The Panama Canal Expands

Wall Street Journal – June 20, 2016

By Costas Paris in London, Robbie Whelan in New York and Kejal Vyas in Bogotá, Colombia

The giant Panama Canal expansion opens June 26 amid much fanfare and one of the worst shipping industry slumps ever. While it won't do anything to help the dire state of the industry near-term, the changes are critical to Western trade in the long run.

The canal, which handles about a third of Asia-to-Americas trade, had no choice but to expand. As the industry copes with its downturn, major shipping companies are pooling their resources and using fewer but much bigger ships—ones that are too large to fit through the pre-expansion Panama Canal

The nine-year, \$5.4 billion expansion more than doubles the canal's cargo capacity. A third lane has been added to the canal that accommodates ships large enough to carry up to 14,000 containers, compared with around 5,000 currently. This alleviates a cargo bottleneck caused by the smaller ships that was due to get worse over time.

The expansion makes the Panama Canal more competitive with the Suez Canal in Egypt, shortening the one-way journey by sea from Asia to the U.S. East Coast by roughly five days and eliminating the need for a trip around Cape Horn to get to the Atlantic.

It is expected to shift about 10% of the Asia-to-U.S. container traffic from West Coast ports to East Coast terminals by 2020, according to a recent report by global business adviser Boston Consulting Group and supply-chain management provider [C.H. Robinson Worldwide Inc.](#) So far, 136 ships that wouldn't have fit through the pre-expansion canal have made reservations to follow.

But the expansion isn't a panacea for the shipping industry. And it doesn't guarantee a payoff for all the East Coast ports and other businesses that have poured billions of dollars into expansion and infrastructure along the East Coast in hopes of profiting from the larger vessels and extra cargo. The American Association of Port Authorities says close to \$155 billion will be invested by 2020 to expand U.S. ports to handle bigger ships. South American terminals are also in an expansion race.

And while some East Coast ports—Baltimore, Miami and Norfolk, Va.—are ready to accommodate much bigger ships, others aren't, according to Paul Bingham, a port economist with EDR Group Inc. Dredging projects are still under way at the ports of Savannah, Ga., and Charleston, S.C., and the tidal channel on the Savannah River has only received approval to be deepened to 47 feet—not the 50 feet required for the canal's largest ships.

Though ship transits through the Panama Canal rose 3.7% last year compared with a rise of less than 1% the year before, the increase in cargo volumes slowed to less than 1% from about 7% the prior year.

Expansion was a must if the Panama Canal was to continue to play its key role in global trade. In the shipping industry, supply exceeds demand by about 30% and freight rates barely cover fuel costs. In the move to bigger and more efficient ships, many of the smaller ships that were tailor-made for the Panama Canal are expected to soon become obsolete. The Panama Canal had to expand to continue to expedite trade to the U.S. East Coast, to lessen cost for shippers and, over time, take pressure off West Coast ports.